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2ND QUARTER 2013

SALES | RETAIL LEASING | FINANCING

BUILDING SALES JOURNAL

**MASSEY
KNAKAL**

Realty Services



A Message

from the Chairman



MANHATTAN MAKES THE DAY

\$5.5 BILLION IN FIRST-QUARTER TRANSACTIONS REPRESENTED WHOPPING 85 PERCENT OF ALL DEALS CITYWIDE

The Manhattan investment sales market typically serves as a lead indicator for the sales market citywide and in the first quarter of 2013 (1Q13), it was once again. In 1Q13, the Manhattan submarket (defined as south of 96th Street on the eastside and south of 110th Street on the westside) led the way with \$5.5 billion of investment sale transactions. This represented 85 percent of the \$6.5 billion citywide total.

As expected, the \$5.5 billion was significantly lower than 4Q12 totals as the end of year rush to take advantage of lower capital gains rates created an epic quarter in which sales volume hit \$14.6 billion, the second highest quarterly total in history (1Q07 was the peak at \$17.2 billion). While this number was down significantly from fourth quarter totals, the good news is that the \$5.5 billion was much better than we anticipated.

In 2012, there was a total of \$31.3 billion of investment sales activity in the Manhattan submarket. Annualizing the \$5.5 billion in 1Q13, we are on pace for about \$22 billion this year. However, we feel that the 2013 total will rival, if not exceed, the \$31 billion seen last year as activity picks up throughout the year.

As expected, 2012 was a very active year based on the impact an anticipated increase in taxes had on seller behavior. An externality like the capital gains tax increase has two tangible impacts. First, it serves to catalyze some transactions that might not have occurred otherwise as sellers realize that a window of opportunity may be closing. Second, it pulls activity from future periods forward as sellers who were anticipating selling in early 2013 accelerated their process to close before the end of last year, achieving higher after tax proceeds than they would have had they sold this year.

Tax policy transparently impacts market participant behavior. Last year we saw a record number of properties sold in Manhattan as the turnover of the total stock of properties reached 4.3 percent, an all-time record. The previous high was achieved in 1998 when, under the Clinton administration, capital gains taxes were reduced from 28 percent to 20 percent. Another spike in sales occurred in 1986 prior to tax policies of the Tax Reform Act of 1986 kicking in at the beginning of 1987.

In 1Q13, there were 130 properties sold in the Manhattan submarket. This was down significantly from the 484 properties sold in 4Q12. Again, this

was not surprising as the 4Q12 total set an all-time record for Manhattan as did 2012's yearly total of 1,194, eclipsing the 999 properties sold in 2007.

Coming off this record year, we expected the number of properties sold to be down and, while it was, the 130 sales were more than we anticipated. We believe this is another positive sign for the balance of 2013. While we expect the number of properties sold in the Manhattan submarket to drop by 20 to 25 percent this year from last year's total, we fully expect dollar volume to be about where it was last year, if not higher given what we expect will be a resurgence in large office building sales which impacts dollar volume greatly.

Perhaps one of the most surprising trends in the Manhattan submarket in 1Q13 has been the incredible run-up in land values over a relatively short period of time. According to the transactions we have been working on, we believe that land values have appreciated by as much as 30 percent in the past three months alone.

We are seeing tremendous demand from local developers as well as developers from around the country who do not own anything in New York yet but are looking to get into the market. Joining them are foreign developers who are looking to do their first project in New York City. We expect land values will continue to rise throughout the year and may end up the year as much as 50 percent higher than the averages we saw in 2012.

You can read Mr. Knakal's "Concrete Thoughts" articles for the Commercial Observer at www.commercialobserver.com/topics/concrete-thoughts.



MASSEY KNAKAL SELLS \$87.5M OFFICE PORTFOLIO

Massey Knakal was exclusively retained by Yeshiva University for the sale of a portfolio of offices located in Midtown Manhattan. The portfolio was sold in all cash transaction valued at \$87,500,000.

920 Broadway is a 16-story, pre-war office building located in the heart of Midtown South's Flatiron District, on the southeast corner of Broadway and East 21st St. The building contains approximately 110,000 net rentable square feet with approximately 96 feet of footage on Broadway and 74 feet of footage on East 21st Street. The building is located in a M1-5M zoning district – allowing for office use or hotel conversion. The price allocation for this building was \$58,500,000.

9 East 38th Street is a 12-story block-through office building in the heart of Midtown Manhattan, located on the north side of East 38th Street, between Fifth Avenue and Madison Avenue. The building contains approximately 94,000 net rentable

square feet with 47.5 feet of frontage on East 38th Street. The property runs through the block with 25 feet of frontage on East 39th Street. As an adjunct to this property, there is a three-story, 25 foot wide, building which provides light and air for the back windows on the 39th Street side, which was part of this transaction. The price allocation for these buildings was \$29,000,000.

"The office market in the vicinity of 920 Broadway is probably the hottest office district in Manhattan presently. This was evidenced by the overwhelming amount of interest that was generated by these properties in a relatively short amount of time" stated Massey Knakal Chairman Bob Knakal, who exclusively handled this transaction with Vice Chairman and Partner John Ciraulo, who added, "The timing couldn't have been more perfect for these buildings."

Property Sales Reports & Our Exclusive Investor List

The Massey Knakal Property Sales Reports continue to be a hit among investors, owners and the press. Published quarterly, these reports detail every property sale in each borough, including up-to-the-minute statistics for PPSF, Cap Rate and GRM. If you are on our investor list, you can access all our reports directly in the *News* section of our website.

If you are on this list, you can also opt to receive customized emails twice per week, containing new and updated Massey Knakal listings that precisely meet your investment criteria. To join the investor list, please contact Associate Michael Gembecki at 212-696-2500 or mgembecki@masseyknakal.com.



MASSEY KNAKAL FEATURED SALES



Manhattan



1511 3rd Avenue
New York, NY
\$60,000,000



27-35 West 24th Street
New York, NY
\$55,500,000



321-325 West 35th Street
(Development Site)
New York, NY
\$33,500,000



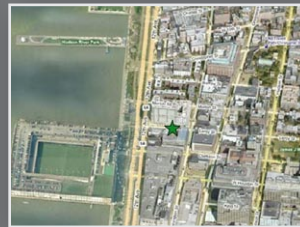
220 West 71st Street
New York, NY
\$21,150,000



272-276 West 86th Street
New York, NY
\$14,373,000



4740 Broadway
New York, NY
\$11,300,000



152-154 Leroy Street
(Development Site)
New York, NY
\$10,250,000



19-25 West 20th Street
(Development Site)
New York, NY
\$9,750,000



539 East 87th Street
New York, NY
\$8,300,000



77 Warren Street
New York, NY
\$7,600,000



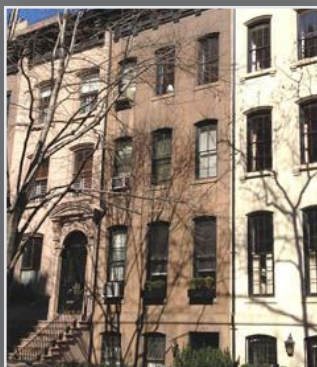
567 7th Avenue
New York, NY
\$7,250,000



133 East 65th Street
New York, NY
\$7,200,000

Manhattan (cont'd)

156-164 Delancey Street
New York, NY
\$6,000,000



165 East 71st Street
New York, NY
\$5,900,000



928 2nd Avenue
New York, NY
\$5,900,000



46 East 1st Street
New York, NY
\$5,400,000



74 Grand Street
New York, NY
\$4,950,000



57 Grand Street
New York, NY
\$4,700,000



52 West 21st Street
New York, NY
\$4,300,000



127 West 94th Street
New York, NY
\$3,800,000



110 West 87th Street
New York, NY
\$3,700,000



542 Cathedral Parkway
New York, NY
\$3,400,000



11 West 30th Street
New York, NY
\$1,875,000



313 West 117th Street
(Development Site)
New York, NY
\$1,400,000

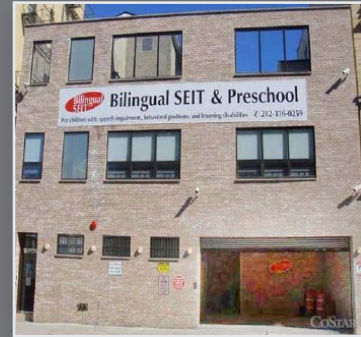
MASSEY KNAKAL FEATURED SALES



Northern Manhattan



38-52 Fort Washington Avenue
New York, NY
\$13,600,000



159 West 127th Street
New York, NY
\$3,500,000

Brooklyn



39-53 Jay Street
Brooklyn, NY
\$25,000,000



265-267 South 2nd Street
Brooklyn, NY
\$9,700,000



102 Pierrepont Street
Brooklyn, NY
\$3,000,000



684-686 Willoughby Avenue
Brooklyn, NY
\$1,800,000



22-26 4th Avenue
Brooklyn, NY
\$1,800,000



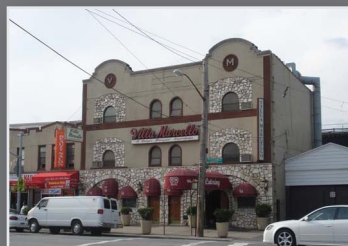
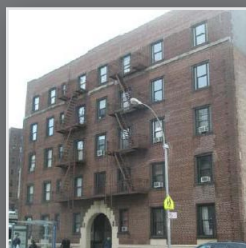
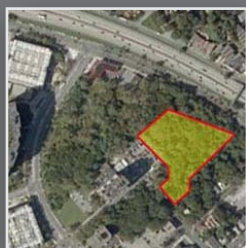
5919-29 Flatlands Avenue
Brooklyn, NY
\$1,500,000



940 Kent Avenue
Brooklyn, NY
\$1,325,000



383 Troutman Street
Brooklyn, NY
\$1,090,000

Queens**98-81 Queens Blvd**
Queens, NY
\$9,000,000**870 Cypress Avenue**
Queens, NY
\$4,200,000**149-34 35th Avenue**
Queens, NY
\$3,100,000**84-02 143rd Street**
Queens, NY
\$2,950,000**105-02 / 105-12 Rockaway Blvd**
Queens, NY
\$2,600,000**96-25 / 27 Rockaway Blvd**
Queens, NY
\$1,450,000**119-01 Jamaica Avenue**
Queens, NY
\$1,200,000**Bronx****New Jersey****140 West 238th Street**
Bronx, NY
\$4,350,000**801 Coop City**
Bronx, NY
\$3,475,000**280 West 231st Street**
Bronx, NY
\$1,477,000**1243 Webster Avenue**
Bronx, NY
\$1,350,000**1100 Washington Street**
Hoboken, NJ
\$2,225,000

MASSEY KNAKAL CAPITAL SERVICES

Massey Knakal Capital Services is our mortgage brokerage division that provides unparalleled capital markets knowledge in order to deliver the most creative financing strategies for our clients. Project goals are matched with the most favorable and efficient capital structures available in a timely manner. This ancillary financial service division enables our clients to expedite sales transactions.

MKCS specializes in a variety of debt and equity based real estate financing including fixed rate loans, floating rate loans, constructions loans, mezzanine loans and bridge loans.

For more information, please contact Garrett Thelander, Executive Managing Director at 212-696-2500 or gthelander@masseyknakal.com.



Garrett Thelander
Executive Managing Director
Capital Services



Scott Aiese
Flatiron, Gramercy Park,
Murray Hill, Union Square



Morris Betesh
Midtown East



Justin Boruchov
Upper West Side



Jacob Brichkin
Northern New Jersey



Preston Flammang
Hudson Yards, Midtown
West, Penn Station



Roger Kapsalis
Park Slope, Gowanus, Carroll
Gardens, Cobble Hill, Columbia
Street Waterfront District,
Red Hook



John Leslie
East Village, Greenwich
Village, NoHo



Bruce Whipple
Westchester County

RECENT CLOSINGS

CLOSED

\$44,000,000
Office Acquisition
New York
NY

CLOSED

\$7,500,000
Condo Construction
Brooklyn
NY

CLOSED

\$14,500,000
Multifamily Construction
New York
NY

CLOSED

\$5,700,000
Multifamily Portfolio Acquisition
Brooklyn
NY

CLOSED

\$18,000,000
Retail Acquisition
Boston
MA

CLOSED

\$4,075,000
Mixed-Use Refinance
New York
NY

MASSEY KNAKAL RETAIL LEASING SERVICES



Todd Korren
Executive Managing Director
Retail Leasing



Benjamin Fox
Executive Vice President
Retail Leasing
Chinatown, Hudson Square,
NoLIta, SoHo

Massey Knakal Retail Leasing Services (MKRLS) is a focused retail leasing division whose goal is to ensure that every client obtains creditable tenants at the highest overall rental income. To accomplish this objective, the MKRLS team quickly and efficiently implements well-orchestrated marketing and leasing campaigns geared toward targeted groups of retail candidates. Our team will achieve the highest value for retail spaces because of our thorough understanding of the distinct neighborhood markets, as well as the property and its potential for value enhancement.

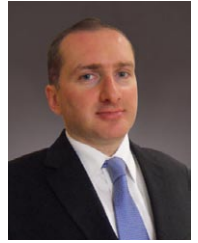
For more information, please contact Todd Korren, Executive Managing Director at 212-696-2500 or tkorren@masseyknakal.com.



Michael Azarian
Flatiron, Gramercy Park,
Murray Hill, Union Square



Gregory Bartlett
Downtown Brooklyn, BK
Heights, DUMBO, Boerum Hill,
Clinton Hill, Vinegar Hill, Fort
Greene, Prospect Heights



David Chkheidze
Morningside Heights,
Upper West Side



Andrew Clemens
Greenpoint, Williamsburg



Joseph Colista
Carroll Gardens, Cobble Hill,
Columbia Street Waterfront District,
Gowanus, Park Slope, Red Hook



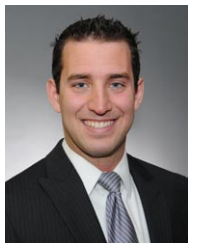
Daniel Doherty
Midtown East



Mark Gallucci
Elmhurst, Forest Hills,
Glendale, Maspeth, Middle
Village, Rego Park, Ridgewood



Brendan Gotch
East Village,
Greenwich Village, NoHo



Michael Hefferon
Chinatown, Hudson
Square, NoLIta, SoHo



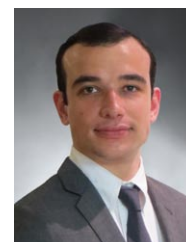
Ryan Horvath
Hudson Yards, Penn Station



Jill Lovatt
Upper East Side,
Carnegie Hill



Dylan Murphy
Midtown West



Ben Starr
Upper East Side, Yorkville



Guillermo Suarez
Financial District, TriBeCa

Recently Leased



400 East 83rd Street
New York, NY



241 Bleecker Street
New York, NY

115+ Exclusive Listings

MASSEY KNAKAL

NEW TEAMMATES

Massey Knakal is proud to announce the following new hires since January 2013.



Jessica Brens
Manhattan
Administrative Asst.



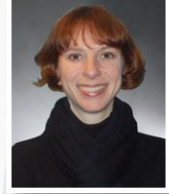
Jacob Brichkin
New Jersey
Director - Capital Services



Mei Zhen Ceng
Manhattan
Accounts Receivable
Associate



Edward DiTomasso
Queens
Associate



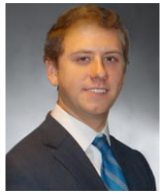
Dion Duyck
Manhattan
Marketing Manager



Adam Ecker
Brooklyn
Associate



Omar Ferreira
Manhattan
Associate



**Matthew "Teddy"
Galligan**
Manhattan
Associate



Alexander Hayssen
Manhattan
Associate



Mark Holz
Manhattan
Research Analyst



Roger Kapsalis
Brooklyn
Director - Capital Services



Justina Lombardo
Manhattan
Public Relations Asst.



Conrad Martin
Brooklyn
Associate



Hunter Moss
Manhattan
Associate



Stella Nicolas
Manhattan
Admin. Support Specialist



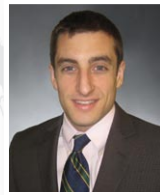
Lucy Ovalle
Manhattan
Administrative Asst.



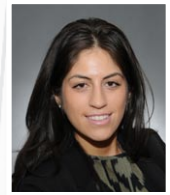
Maria Poniros
Brooklyn
Administrative Asst.



Denise Prevete
Queens
Associate



Zachary Reubel
Brooklyn
Associate



Theresa Rimarachin
Brooklyn
Administrative Asst.



Nishant Shah
Manhattan
Research Associate



Brian Streilein
Brooklyn
Associate

To remain the best, we only recruit the best. Massey Knakal welcomes these disciplined and talented professionals to our team.

INTRODUCING... **TODD KORREN**

Executive Managing Director - Manhattan & Retail Leasing



Todd E. Korren joined the firm in February 2013. He is responsible for the day-to-day operations of the Manhattan sales force as well as Massey Knakal's retail leasing division.

Todd has been involved in the real estate and construction industries for more than 28 years. His experience includes office and retail agency and tenant representation leasing, construction, asset and property management, acquisitions, property redevelopment and repositioning, site assemblage, and ground up development. He has negotiated over 1,000 leases with an aggregate 6.7 million square feet, participated in acquisitions and dispositions valued at over \$1.5 billion, and supervised over 400 construction projects.

He joins Massey Knakal from Savanna Real Estate Fund, an institutional real estate private equity firm and asset management company, where he served as Principal, Director of Leasing. In this role, Todd was responsible for leasing activity, tenant relations and for promoting the Savanna portfolio within the brokerage marketplace. Additionally, Todd held positions with Swig Equities, The Witkoff Group, Insignia / ESG (now CB Richard Ellis) and StructureTone.

Todd received a B.S. in Management and an M.B.A in Management and Organizational Behavior from New York University.

INTRODUCING... **ROBERT DIBIASE**

Executive Managing Director - Brooklyn & Queens



Robert DiBiase joined the firm in September 2012. He is responsible for the day-to-day operations of the Brooklyn and Queens sales force across the three business divisions.

Robert brings more than 15 years of sales and customer service experience to Massey Knakal. In his previous roles, Robert was responsible for recruiting, training and mentoring commissioned sales people. Most recently, Robert was Assistant Vice President at Atlantic & Pacific Real Estate in McLean, Virginia. In this role, in addition to recruiting and training salespeople, Robert organized and integrated multiple offices for the firm's national expansion. Additionally, he handled valuations, property management and billing of distressed assets for promotion, marketing and negotiation.

Prior to Atlantic and Pacific, Robert served as Vice President / General Manager of LendingTree/RealEstate.com. In his capacity at LendingTree, Robert created and established a plan for the launch of the Mid-Atlantic region and developed the strategy for merging personnel and resources to facilitate the acquisition of mid-sized real estate companies.

Robert began his career at Foxtons, Inc., as a Listing Agent and moved on to become Regional Sales Manager where he built a recruiting platform for the New Jersey and New York markets.

Robert received a Bachelor of Arts degree in Psychology from Rutgers University.

MASSEY KNAKAL BOWLING OUTING



Ben Fox & Neil Heilberg



Mindy Liu, Brendan Gotch & Gia LaMarca



Clint Olsen



Tom Gammino



Conrad Martin, Adam Ecker, Brian Streilein & James Singleton



Shannon Krause, Justina Lombardo, Erin Mitchell & Leica Meliton



Aliaksandr Svetlakov, John Santoro, Veronica Quinones, Shawntel Martyr, Jelani Babb, Yolanda Vega, Adrian Mercado, Shirley Martire & Ann Demyanenko

MASSEY KNAKAL AWARDS CEREMONY

Massey Knakal held its annual awards ceremony in January at Carolines Comedy Club in Midtown Manhattan. Our entire company gathered to honor our top producers and finest professionals of 2012. The awards are named after notable industry professionals.



And the winners are...

Rookie of the Year Award	Morris Betesh
Richard Marcinko Award for Passion	Stephen Palmese
Louis Brause PIER Award (#1 Co-wide) Representing Overall Values Co-wide	Hall Oster
Nicholas T. Donovan PIER Award (Queens) Representing Overall Values-Queens	Kobi Leifer
Michael Fuchs & Aby Rosen PIER Award (Brooklyn) Representing Overall Values-Brooklyn	Andy Clemens
Ric Clark PIER Award (Manhattan) Representing Overall Values-Manhattan	Scott Aiese
Leasing Agent Award Annual Leasing Agent of the Year (Overall #1)	Jill Lovatt
Capital Services Award Annual Capital Services Agent of the Year (Overall #1)	Morris Betesh
Gerald W. Bridges Award Annual Salesperson of the Year (Overall #1)	James Nelson
John H. Holler Award Annual Salesperson of the Year (Overall #2)	Stephen Palmese
John F. Ciraulo Award Annual Salesperson of the Year (Overall #3)	Paul Smadbeck
Harry Macklowe Award (Queens) Annual Salesperson of the Year	Tom Donovan
Stephen B. Siegel Award (Brooklyn) Annual Salesperson of the Year	Stephen Palmese
Ofer Yardeni Award (Manhattan) Annual Salesperson of the Year	James Nelson
Steven Spinola Award Associate Award	Craig Waggnar
Morton Apfeldorf Award for Integrity	Matt Abreu
Thomas A. Donovan Award for Excellence	Garrett Thelander
James E. Ventura Unsung Hero Award	Pam Pequeno
CEO Award	Courtney Horry
Robert A. Knakal Chairman's Award	Shirley Martire
Massey Knakal Charitable Foundation Responsibility Award	David Chkheidze



New York City Commercial Property Sales

Top Brokerage Firms 2001-2012

Based on # of Transactions (All Sales \$500,000 and Over)

Massey Knakal is NYC's #1 Building Sales Firm for the 12th Consecutive Year

	# Transactions '01-'12
Massey Knakal Realty Services	2,823
Marcus & Millichap	725
Besen & Associates, Inc.	708
Eastern Consolidated	607
GFI Capital Resources Group, Inc.	559
Newmark Grubb Knight Frank	266
Capin & Associates	259
CBRE	258
Rosewood Realty Group	209
Prudential Douglas Elliman	207
The Corcoran Group	203
Cushman & Wakefield	189
Eastdil Secured	154
Lee O'dell Real Estate Inc.	149
Itzhaki Properties	145
Greiner-Maltz Company, Inc.	132
Kalmon Dolgin Affiliates, Inc.	128
Sholom & Zuckerbrot Realty Corp.	95
Swig Equities, LLC	64
Solar Realty Management Corp	62
Terra CRG	61
Friedman-Roth Realty Corp.	61
Extreme Realty	55
Ariel Property Advisors	50
Jones Lang LaSalle	46
WRA Properties	46
Corporate Offices	43
Douglas Elliman	40
GVA Williams	37
HFF	35
John Anthony Group, Inc.	35
NAI Global	33
Time Equities, Inc.	29
Leslie J. Garfield & Company	27
Sinvin Realty Corp.	22
Barcel Group	21
Total Transaction Volume - (Brokers on Chart)	8,583



Every Building. Every Detail.™



MASSEY KNAKAL SUMMITS

Massey Knakal's Summits continue to be a huge success, with hundreds of investors, developers, brokers and other professionals attending our day long events.

The Massey Knakal Real Estate Summit occurred on April 17, 2013. More than 450 industry professionals attended workshops and panel discussions focused on the acquisition, disposition, financing and development of commercial real estate properties in the Tri-State area. To learn more about the event please visit www.mkcresummit.com.

The Massey Knakal Brooklyn Real Estate Summit will be held on September 17, 2013. The event will focus on debt financing, retail development, multifamily development and public / private partnerships.

To register or for more information please call 646-862-6136 or email info@mkcresummit.com.



Charitable Foundation

MASSEY KNAKAL CHARITABLE FOUNDATION UPDATE

The Massey Knakal Charitable Foundation was founded on the premise that the greater New York area is one community where all its inhabitants live and work together side by side, and that to help any is to help all by strengthening the community at its most basic level. The Foundation supports local educational, family and other community-oriented charitable causes primarily within New York City and the Tri-State area. In addition to providing these charities with direct grants, we work to organize volunteer efforts to benefit them with our time and energy.

Below are profiles of a few of the organizations that the Foundation is supporting in 2013, thanks to the support of individuals at Massey Knakal.

BOTTOMLESS CLOSET

The mission of Bottomless Closet is to help disadvantaged New York City women become self-sufficient through a comprehensive program that begins with business attire and interview preparation and continues with professional development, financial management and personal enrichment. Using the model of women helping women and a network of dedicated volunteers, Bottomless Closet enhances clients' self-esteem and self-confidence in order for them to enter and succeed in the workforce and improve the quality of their lives.

CONCRETE SAFARI

Since 2008, Concrete Safari has empowered children living in and around East Harlem's public housing projects to become healthy leaders through outdoor exercise and education programs that enrich the mind, body, community and environment.

City Surfers is Concrete Safaris' year-round, youth empowerment program in which 7 – 11 year olds at PS 102 and Union Settlement exercise and learn outdoors. The students choose how they want to participate in the urban environmental health movement. For example the program participants now manage the largest children's garden on public housing property at 15,000 square feet in Washington Houses.

OPENING ACT

Opening Act's theater programs provide students attending New York City's most under-served schools the opportunity to gain confidence, pride, and the knowledge that they can succeed at anything in life. Currently serving 33 New York City high schools, their vision is to be able to offer a high quality theater program to any New York City school that needs one. Although their medium is the theater, the results go well beyond the stage. Opening Act students emerge as energized leaders within their schools. They value community and commitment and display confidence in themselves and their ability to accomplish anything they set out to achieve.

CHRISTO REY

A private school serving students who have demonstrated the potential and motivation to achieve success and who do not have the educational background or financial means to attend another private, college-prep school. Guided by the spirit of care for the individual, Christo Rey challenges all of their students with a rigorous academic curriculum and a demanding work-internship program. Notably, 100% of Christo Rey's students gain admittance to college.



A Message from the CEO

Massey Knakal: A People Culture – Part 2

At Massey Knakal, we work hard to foster and maintain a “People Culture” and strongly believe this is one of our competitive advantages. As part of the new hire onboarding process, I personally meet with every new hire to get to know them and to cover some ground rules regarding our company values and culture. A successful hire will understand our basic values from the outset and be able to align themselves with the firm’s culture. Our values and culture fall into two buckets. The first bucket is personal and professional conduct. The second bucket is career development. This letter will highlight some key elements of the second bucket – expectations of career development.

We believe our people must assume personal responsibility for their professional development. However, it’s also critical that our company supports career development for all.

Before I continue, let me bring up one topic that I missed in “A People Culture-Part 1” (Personal and Professional Conduct).

Always Look the Part

Sometimes our new people wonder why we strongly prefer their appearance to be neat and dressed in, what some might categorize as conservative business attire. It’s not because we enjoy being the fashion police. The reason is simple: we compete for most of the business we get. Why cause a potential client to wonder about how serious we are?¹ Why wouldn’t you take every possible variable off the table?² *Returning to the topic at hand: Professional Development.*

Open Book Company

A critical element in professional development is working in an environment where anyone can ask any question and learn from the successes and failures of their colleagues – across all levels of professional experience. In addition to promoting collaboration this model ensures that everyone knows about any opportunities (read: jobs) that become available. Massey Knakal is run open-book. At MK, we post every job openly. Anyone at the firm can apply for any job. No one is afraid of missing an opportunity. However, we also do a full external search. While this occasionally creates stress for an internal candidate, when they earn the job following a thorough process, they know they are “the best guy or gal for the job.”

Compensation

While we are an open book firm, we are polite about the issue of pay. Though we do not disclose exact numbers, compensation structure is no big secret at Massey Knakal. All agents are on the same commission splits with the house (including founders and partners) and our staff and management compensation is decided in an open forum by our Senior Management Team.

We ask our people to let us know how they feel about their pay. In the case of staff and management on salary and bonus, we tell them their target compensation should be in the 95th percentile for their job description. Bonuses are tied directly to measurable goals. In these ways, we remove a lot of anxiety around the compensation issue – it’s ok to talk about pay and advancement.

Our Head of Human Resources and Recruiting, Gia LaMarca, was very vocal during this past recession about the fact that we were falling behind industry norms for many of our staff positions. Her outspoken concern was a sign of great leadership. We all worked together to re-align compensation as we came out of the downturn and in some cases we are still adjusting.

Set Annual Professional Development Goals

Everyone at MK gets assigned at least one professional development goal each year. We work closely with our people to identify an accomplishable goal and we then work to support its realization. This can involve graduate education, public speaking classes or any number of self-improvement exercises or activities.

Encourage a Five Year Plan

A great way to create a Five Year Plan is to identify someone who has a career you’d like to have in five years. Once our people have taken the first step we ask “What is your plan to get there?” We feel it is our responsibility to contribute to that five year plan employing the resources of Massey Knakal our people get there.

If it’s Time for a New Job... Tell Your Boss

At MK we ask people to let us know when they are feeling it’s time for a move. Many times we (fortunately) can facilitate their move within the company. If not, we help them transition out. That way, even though someone no longer works for us we still have an industry friend who shares our values. The result is that our people never completely leave the family.³

Career Inflection Points

When MK people are at career inflection points, we tell them to go speak to a large number of people inside and outside the firm (see my CEO newsletter “Meet 100 People” on our website). Every career inflection point is a HUGE learning opportunity.

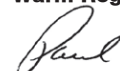
These examples illustrate the professional development we expect, invest in and experience at Massey Knakal. More on Massey Knakal culture in our next issue.

¹ *I rarely shave or dress well on the weekends... just ask my family. They’ll tell you, and they certainly tell me. But that’s the weekend, and during the week we’re The Yankees of commercial real estate.*

² *There is one person at our firm with a “grandfathered” beard – no one sells better than Bob.*

³ *If the person wanting a new job wants their boss’s job, you’ve created a wonderful new dynamic – succession planning.*

Warm Regards,


Paul J. Massey Jr.

CONTACT US

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