

Message from The Chairman

LIFETIME STATISTICS

+\$21.8B

AGGREGATE DOLLAR
VOLUME

+2,321

PROPERTIES SOLD

82M

SQUARE FEET
SOLD

37,000

RESIDENTIAL
UNITS SOLD

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‘It’s Not About Who You Know, It’s Who Knows You’: Bob Knakal On Marketing In CRE – And The Mysterious ‘Knakal Map Room’

Reprinted From **Brisnow**

In March 2020, when millions of Americans were dusting off their home desks and settling in for what would turn out to be years of working from home, Bob Knakal set out to achieve a decadelong goal.

The legendary New York commercial real estate broker, who is the head of the New York Private Capital Group at JLL, saw the near-empty streets of Manhattan as the perfect opportunity to walk down hundreds of blocks in Manhattan and document every building under construction.

Roughly 220 hours later, Knakal and his partners had the data they needed to create a 24-foot-long, 10-foot-wide map of nearly 28,000 buildings, logging every development site in the borough.

Today, it lives in an undisclosed location in Manhattan – since, according to Knakal, “no one needs to know where it is unless they are invited,” – dubbed the Knakal Map Room.

“Within those four walls is everything you could possibly want to know about the development market in Manhattan,” Knakal said. “I’ve had a lot of clients in there. We spend hours looking at the map, talking about deals, talking about what’s going on, and it has really resonated with folks that see it.”

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The Knakal Map Room is just one of the many ways Knakal has connected with his clients over the years and established himself as a CRE professional who can deliver more than just a deal. Bisnow sat down with him to learn more about his unique approach to branding, where he sees the market heading and why downturns may be the perfect time for CRE firms to turn up their marketing efforts.



Bisnow:

How did you cultivate your personal brand?

Knakal:

There was never a conscious decision made to build my own brand. The one lesson I learned early on was that you have to make prospecting calls to try to get business, but you can't call somebody up and say, "Hey, would you please transact with me?" You have to call them and offer them something of value. In order to do that, we wanted to create content that would have value for clients, and we did so in the form of market reports, information on transactions, trends that we're seeing in the market and how public policy could impact the real estate market.

We always tried to be very thoughtful about understanding the way the market functioned and how things were impacting the market because, ultimately, every property owner wants to know what's happening in the ecosystem around them and how it will impact their property value. It was really more about trying to figure out how to be valuable to your clients and how to share things of value with them, as opposed to personal branding.

Bisnow:

The headlines surrounding the New York City market, particularly the office market, are very doom and gloom right now. But your social media presence in these last few months has been very optimistic. Why is optimism important for your brand these days?

Knakal:

I wouldn't say my social media presence has been intentionally optimistic. On Mondays, I always post something that is motivationally oriented, and I do believe that you have to have a positive mindset, but I have always looked at the market very realistically because I look at the numbers.

Sometimes, I get in a little bit of hot water with people for doing that. I remember in 2009 I wrote a column for the Commercial Observer where I started by saying the investment sales market in New York City "sucks." The volume of sales was down 92%, how could I have said it was good?

But if optimism is coming through now it's because I am looking at the market realistically and conveying that unlike the big three corrections we have had prior to this one, where everything was moving downward, just in different magnitudes, today different sectors of the market are performing differently. I see positive signs in the retail market. I see positive things in the multifamily market, despite the political headwinds that exist.

The office market is very, very challenged, but you have to disaggregate that market into the new construction, Class-A office, which is doing relatively well, and then everything else that is having its challenges. I try to have people take heart in the fact that the market has been, and always will be, cyclical. And so it is going to come back. And I sense – based on what I'm feeling and seeing – that the market still needs to go through a cleansing process where we need to work through a lot of the negative things that are embedded in the market. But I see it turning around for everything except the office next year.

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But I think it's important to maintain a positive attitude. Realize that things will get better and take advantage of opportunities now when things are a little slower to beef up your market presence, study the market and create materials that will help you when it does come back.

Bisnow:

Can you tell me why you think the Knakal Map Room has resonated so deeply with your clients?

Knakal:

I sell a lot of development sites and part of the calculus and figuring out the value of a site is trying to look at the pipeline of supply that's coming online



in a particular neighborhood. There's very little data available on that other than on the condo pipeline, which all the residential firms produce a report on, but they are all very different from each other. But with respect to rental, apartments, hotels, office space, there's nothing really published. So I've said for years that I want to go out and actually count all the buildings under construction and look at them. In March of 2020 I got that opportunity.

While I was walking around, I highlighted every building that was under construction on the Sanborn map in green. The very obvious development sites where the existing building was built less than 25% of its max zoning floor area, I highlighted in orange, and then potential assemblages were highlighted in yellow. When we finished this, after several months, 220 hours in the field, we taped all these pieces together and created the map.

Since then, we've done thousands of hours of research. We have a pipeline now of active construction, broken into two buckets. The first is pending, where developers bought the site but have not started developing it yet, and then as soon as a construction

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loan is obtained, it gets put into the active bucket. We also have comparable sales and we’re coming out with a land study that is going to disaggregate land comparable sales into those same buckets, and I have that data going all the way back to 1984. We have a developers-buyers list that includes every developer, co-developer and equity partner, whenever we can get access to that information, for every building under construction in New York City from four units on up to the biggest developments. For us, it is a way to differentiate ourselves. And in our world, differentiation leads to a competitive advantage.

Bisnow:

How would you recommend someone reading this article create their own strategy like the Map Room?

Knakal:

I tell everybody, if you want to really create value in yourself, specialize in something. I love Jim Collins’ book, *Good to Great*, where he says that the difference between good companies and great companies is that a great company figures out what they can do better in the world than anybody else, and every decision they make is all focused on that one thing. And as a broker, you have to have an edge and that edge comes in the form of specialization that allows you to differentiate yourself.

Right now with land, and I mean no disrespect to anyone, but nobody has the data that I have for land sales and land availabilities. It’s the same for the construction pipeline in New York, because I personally looked at every single one of those sites and nobody else has done that. If anybody wants to try it, go ahead, I applaud you for the effort. But that is something that creates a benefit to my clients, because I can give them information that no one else can.

Bisnow:

You’ve said that you have a personal annual goal of attending 261 events each year. Why do you continue to put such a high value on attending and participating in events when you’re already a very well-known figure in the industry?

Knakal:

The goal is 261 because there are 261 working days in a year, and I try to attend one event every day. There are over 250,000 people who own property in New York; maybe they own many buildings, maybe they own 10% of a building, but there are about 250,000 investors. No matter how good of a cold caller you are, no matter how robust your prospecting campaign is, you can’t call all those people. It’s not about who you know, it’s about who knows you. There are constantly new people coming into the market, and you need to be out there. So I think going out to events, meeting people, having people know who you are, is a way to get more information.

The real estate business, from a brokerage perspective, is an information business. The more you’re out there, the more people that know who you are, the more likely it is you’re going to obtain valuable information that you can use to help your clients make better decisions.