

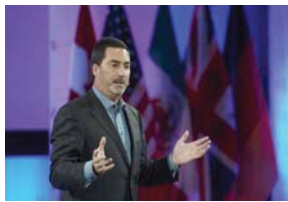
Avison Young CEO Mark Rose On NYC Hires, Global Expansion And Why They Won't Go Public

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The past 18 months has seen major upheaval across the New York City brokerage landscape. Canadian firm Avison Young — a relative new player on the scene — has capitalized on the chaos by beefing up its ranks.



This year has been a busy one for the Toronto-based firm, which launched in New York City in 2011. In January, **James Nelson left Cushman & Wakefield** to become the head of its Tri-State Investment Sales group, which now has more than 30 people. In September, Joe Harbert left his post as Colliers International's president of national client service to join Avison as the director of operations for the Northeast region.

Late last month, leasing brokers Keith Caggiano and Roshan Shah — previously top producers at CBRE — joined Avison's ranks. The firm also **hired** the former global head of real estate for EY, Howard Roth, as an independent adviser based in New York.

Avison Young is one of the most prominent examples of a brokerage firm positioning itself to capitalize on the **tumult in the city's brokerage landscape**, where new firms are opening up and others are consolidating or closing. Brokers have been looking to carve out a new palce for themselves in the past 18 months, with several big names **jumping between firms**.

Avison Young Chairman and CEO Mark Rose characterized the hires in New York as part of the firm's global expansion — and said there will be more across major markets across the the world.

“I was amused early on, having run some of the largest firms in the country and the world, you know, to hear that ‘Avison Young couldn't open up in New York,’” he said. “I'm a native New Yorker — and I know the market as well as anybody — but it's just not true. I mean, we compete against [all the big firms] well every single day.”

This summer, Canadian institutional fund manager Caisse de dépôt et placement du Québec made a \$190M equity investment in the firm, which Rose previously said **would go toward acquisitions and hiring**.

Last week, Avison announced the acquisition of United Kingdom brokerage GVA, adding 1,500 employees in 15 offices in the U.K., Poland and Ireland.

Rose said Avison will continue to seek out acquisition opportunities, though he declined to provide any specifics on targets in New York City. In sourcing talent, he said, Avison is seeking out the types of brokers who want a working environment that a public brokerage can't provide.

That differentiating factor is becoming more stark. Many of Avison's chief competitors — CBRE, JLL, Cushman & Wakefield, Newmark Knight Frank and Colliers — are publicly traded, with C&W and Newmark the most recent entrants into the stock market in the last 12 months.



“We are all about kind of this cultural enterprise that our peers who are all public just don't understand, and quite frankly, I'm not even sure they care about anymore,” he said, adding any plan of taking Avison public is the “furthest thing from our minds.”

“In a public company, all of your responsibility is to your shareholders,” he said. “We can focus all of our attention on the client.”

There has been a remarkable level of change in the city's brokerage world this year. Brokerage Eastern Consolidated **closed its doors in July**, and Newmark **bought leasing and investment sales brokerage RKF**.

Paul Massey left C&W to set up his own firm, called B6, and he has been **staffing up** with the view of hiring 50 brokers by next year. Dealmaker Bob Knakal went from C&W to JLL to **lead investment sales there**. Previously residential-only firm Compass spread its **wings into the commercial world**.

"Firms are being consolidated and firms are closing. While some of them are doing that, others are growing and capitalizing on these opportunities, turmoil and disruption," said Compass Vice Chair Adelaide Polsinelli, who was previously with Eastern Consolidated. "Now there is opportunity, and [Avison] is jumping in."

Joe Harbert, who joined Avison from Colliers in late September, said he hasn't seen this much industry movement since he joined the business in 1987.

"People went public, other folks got bought," he told *Bisnow*. "All of these things have an impact on the brokers sitting at their desk trying to make a living. And they say, 'Am I in the right spot?'"

He said Avison is focusing on developing its research capabilities as well as beefing up its agency practice and tenant representation. The changing retail environment means brokers are now approaching the firm, he said, looking at whether now is a good time to make a move.

"My experience in terms of recruiting people is you have a push and a pull. People become dissatisfied, which leads them to go out," he said. "The pull here is that it is not the largest firm in the city. You don't bump into people. If you are at the right level, you can be a principal. For a lot of people, those are compelling reasons [to join]."

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Caggiano, who joined the firm earlier this month alongside Shah, said the big draw was the “principal-led culture” at the firm — as well as the recent investment from CDPQ.

"The culture that has been created and curated were all extremely attractive factors” he said. “[It was] right place, right time and right firm ... and too much of an opportunity to pass up.”

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