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Mid-sized firms see shake up

The residential brokerages that dominate the middle of the Manhattan market saw some serious reshuffling this year.

These firms — too small to make it onto the top firms list, but too big to be classified as "boutique" — experienced something of a shake-up, with some of last year's companies falling off, only to be replaced by a collection of newbie firms.

The ranking, which was tallied by dollar volume of listings, and was The Real Deal's second mid-sized firm survey ever, included firms with between 50 and nearly 260 agents. Data was culled from listings provider Online Residential on March 30.

Nabbing the No. 1 slot on the list was the 256-agent firm Stribling & Associates, which last year appeared on the main top-firm ranking. While Stribling had roughly $552 million in listing dollar volume, far more than the majority of the firms on the main ranking, it was knocked off that list because that ranking is done by number of agents. So although Keller Williams NYC pulled ahead of Stribling in terms of number of agents and made it onto TRD's main ranking this year, Stribling is doing more business with fewer brokers.

In fact, the firm's listing dollar volume is up 44 percent from $384 million last year, thanks to its increasing share of the luxury market.

"We turned 34 this year, so we've shown that we know how to find success in the luxury market, which is the arena where you're seeing a lot more people come out and spend," said Elizabeth Ann Kivlan, president of Stribling.

Following Stribling, in the No. 2 and No. 3 spots, respectively, were Warburg Realty, which saw its listings remain relatively steady year-over-year at $165 million, down from $188 million the previous year, and CORE, which had roughly $157 million in exclusives. CORE, which took the top spot on this mid-sized-firm ranking last year, saw a 54 percent drop in its listings.

Bolstered by Stribling's exclusives, collectively, the top 12 mid-sized firms had 340 listings worth $1.15 billion, according to TRD's research. Of those firms, the top nine firms had $1.12 billion this year, compared with $909 million last year.

Without Stribling in the mix, however, Manhattan's mid-sized firms would have seen a drop in dollar volume, possibly a reflection of the declining inventory levels.

Leading the pack

Despite being surpassed by Stribling this year, last year's mid-sized leaders —Warburg, CORE and Blu Realty — still dominated their rivals. However, their leads are shrinking.

CORE's drop in listing dollar volume came during a year in which it saw a handful of its top brokers, including Michael Graves, Vickey Barron and Reba Miller, depart. Last month, Miller, who previously headed the firm's new Upper East Side office, left to relaunch her own boutique company, R.P. Miller & Associates. In 2012,

CORE struck a two-year deal to absorb R.P. Miller, which expired earlier this year. Susan Rubell and Lee Frankel, two former agents with R.P. Miller who joined CORE after the 2012 deal, left with Miller for her relaunching.

Shaun Osher, CEO of CORE, said the firm's listings on March 30 did not paint an accurate picture of how much business the company has been doing.

"Last year was the first year we came very close to doing $1 billion worth of business," Osher said. "It was our best year since we launched. In 2014, we've signed on projects worth $2 billion in new development. Our pipeline looks very strong."

Nonetheless, Miller took with her two of the listings CORE received credit for — an $18.5 million listing for new development townhouse at 27 East 61st Street and an $11.5 million townhouse at 241 West 17th Street.

Meanwhile, Warburg had 64 listings worth nearly $166 million, according to TRD's findings. That was slightly down compared to its $188 million worth of listings last year, which were spread out over just 53 properties. In January, the firm also beefed up its presence on the Upper West Side by making its first acquisition of another brokerage — Jason Haber's Rubicon Property— for an undisclosed sum.

Blu Realty had 22 listings worth a total $91 million, compared with 28 listings worth $80 million last year.

The company's listing count would have been higher had the firm not unloaded a $16.5 million Upper West Side townhouse belonging to Brazilian oil executive Paolo Gouveas in its biggest deal ever in February, said firm founder David Tobon.

Shifting strategies

MNS, formed in 2005 and headed by Andrew Barrocas, saw the biggest drop in its Manhattan exclusives year-over-year. MNS experienced a 68 percent decline in the dollar volume of its Manhattan listings, according to TRD's research. It had just six Manhattan exclusives accounting for $8.7 million, down from 20 listings accounting for $27.4 million last year. It ranked No. 12 on TRD's mid-sized ranking as a result.

The company also lost Manhattan agents. It now has 51 Manhattan brokers, down from 62 last year, TRD found.

Barrocas attributed the company's loss of Manhattan market share to a general shift in the company's strategy, saying that in recent months its focus had been directed squarely on new development in the boroughs.

"We're more focused on development as a whole [than before]," Barrocas said. "We're doing a lot in the boroughs."

The company, for example, is selling Williamsburg Townhomes, a 12-townhouse project in Williamsburg, where prices start at $2.25 million. It also represents several Brooklyn rental buildings, including 456 Grand Street in East Williamsburg and 110 Green Street in Greenpoint.

Meanwhile, Fenwick Keats also saw its total listing dollar volume drop, to $38.2 million from $44.2 million. However, by the end of last month, the firm was up to about $56 million in listings.

A new guard

A new string of Manhattan-based firms has made its mark this year, earning a place in the mid-sized ranking for the first time.

Platinum Properties, a company that barely made TRD's boutique ranking last year, took the No. 5 mid-sized spot with a major uptick in the dollar volume of listings.

Platinum, which was founded in 2005, had $51.5 million worth of listings, up from just $13.4 million last year. That's primarily thanks to a couple of high-priced properties the firm has snagged in recent months, including a $13 million pad at 40 Broad Street owned by Alex Birkenstock, heir to the eponymous sandal fortune, and a $13.5 million penthouse at 111 Jane Street, owned by Moise Emquies, the high-end T-shirt titan and founder of the fashion brand Splendid. Both listings came on the market in March.

Daniel Hedaya, president of Platinum, said the firm has been trying to develop a reputation in the luxury market and has expanded beyond the Financial District, where it was first established. As such, a large number of the company's listings are now located in other Manhattan neighborhoods, including Greenwich Village and Harlem.

"We've made a lot of headway for ourselves in sales," Hedaya said. "I think a lot of people know us as being a Financial District brokerage, but if you look at our exclusive listings, they're really scattered throughout Manhattan. We're seeing a tremendous shift in our activity."

Other firms debuting on this year's mid-sized ranking include a couple of companies established in the wake of the recession and whose business models differ substantially from other mid-sized firms. Both KIAN Realty and the Spire Group were formed three years ago and have seen a vast expansion of their ranks in the last year.

KIAN, founded by Charles Doolan and Jae Muk Chung in 2011, has a 100 percent commission model — similar to the model employed by Rutenberg Realty but with a slightly different fee structure. And with just one office, at 450 Seventh Avenue, most of its 172 licensed agents work virtually. KIAN has $22.4 million worth of exclusive listings.

"We started with just six agents in 2011, and now we have 172," Doolan said of the firm's rapid growth.

Spire Group, another 100 percent-commission firm, was formed by Kurland Realty's founder Kevin Kurland. It, too, has seen explosive growth since it launched in 2011: the company now has 161 agents. However, as of March 30 it had just $9.7 million in listings on its books, but by the end of last month that jumped to roughly $14 million.