

Cushman & Wakefield Capital Markets

Recently, **Geoffrey Dobrmann**, publisher and editor-in-chief of *The Institutional Real Estate Letter* – North America, spoke with **Gregory Vorwaller** of Cushman & Wakefield Capital Markets. The following is an excerpt of their conversation.

A lot has happened since we last talked. What's different at Cushman & Wakefield Capital Markets today versus a year ago?

There is a real sense of stability and commitment, as well as clear forward progress on key initiatives all oriented to making us pre-eminent in all we choose to do. Last year was a year of understanding the operation to know where we needed to place our priorities to fortify and grow our capabilities. The Capital Markets business is a key global business of the organization which now has a clear sense of purpose and direction.

How would you characterize that purpose and direction?

There were a lot of questions about how the businesses fit together. In the past year, we were able to instill the commitment of the organization to the business, much of which was driven by our focus on the people within it. We were also able to align people on the ultimate aspiration of the business, and that is to be pre-eminent in all the markets and sectors in which we choose to compete. We rationalized the three core businesses within the Capital Markets organization — investment sales and acquisitions; equity, debt and structured finance; and corporate finance and investment banking — and we were able to organize people within the organization around those three businesses.

Who are the key leaders heading up these groups, and why are uniquely qualified to do so?

From a global organizational perspective, we've got our three global regions: the Americas, Asia Pacific, and Europe, the Middle East and Africa, otherwise known as EMEA. There are leaders for each of those regions — CEOs of those businesses — charged with looking at the integrative portfolio of services that we offer within those regions. Then cutting across those geographies, you have the global service lines, which would be Capital Markets, Corporate Occupier and Investor Services, and Valuation and Advisory Services. I happen to serve the dual role of global head of Capital Markets and head of the Americas. For Capital Markets, John Stinson is head of Asia Pacific, and Michael Rhydderch is head of EMEA. Within the Americas, we've got leaders who work with me in orchestrating what we do in Capital Markets in



Gregory Vorwaller, Global Head of Capital Markets at Cushman & Wakefield, has nearly 30 years of experience in the financial services and real estate industries, with an emphasis on advising institutional investors on real estate investment strategies, structured finance, real estate securitization and property sales. Prior to joining Cushman & Wakefield, he ran the Investment Properties Group at CB Richard Ellis.

Brazil and Canada. In the United States, we have two geographic regions, East and West, with the line of demarcation being the Mississippi River. Curt Magelby, in Los Angeles, oversees Capital Markets in the West, and we are in the process of recruiting the person who will be responsible for everything that we do in the East. The Corporate Finance & Investment Banking business, which is primarily New York-centric, for obvious reasons, is led by Michael Rotchford. Steve Kohn serves as the president of Equity, Debt & Structured Finance. On the multifamily front, Steve Weilbach oversees all we do in Capital Markets in the sector. This is crucial given the importance of the sector in the overall industry and that the investor/owner set that is active in multifamily tends to be different from other property sectors.

What is the benefit to your key people in the field and to your client base of these changes?

It gives our key clients a known point of access and accountability. Additionally, it allows the organization to work with our clients and understand what their needs and objectives are, and then organize multidisciplinary teams who have the most relevant skills to address the needs, challenges and opportunities of our clients. Although we've got these geographic lines of distinction within the business, we have adopted a key client priority program where each of us is responsible for three to five key client relationships around which we are able to focus our efforts.

What is the ultimate vision for the business and your strategy for getting there?

Our vision is to be pre-eminent in all the markets and sectors in which we choose to compete. Right now, where we stand in each market or sector varies on a global basis and depending upon the market, so we have not consistently been in the top three. While we set the foundation last year

and have made solid progress, we still have plenty of work to do. We need to fortify our presence in certain markets and in certain property sectors where we have existing talent but we need to build around it. Part of getting where we need to go is to make sure that we've got the right coverage in all the markets and sectors in which we choose to compete. It means that investment sales and acquisition fortify and expand; it means we fill the voids in equity debt and structured finance. We have a rather defined geographic footprint — New York, Boston, Atlanta, San Francisco and Los Angeles — and we've identified selected geographies in which we need to expand that capability. We know where we're strong, we know where we're weak, and we're leveraging off of our strength and addressing our weaknesses.

Are there sectors or geographic markets that you intentionally excluded, and what are their characteristics?

Generally speaking we are in the locations that will best serve our clients, and those locations tend to be the key major metro markets throughout the world. We will not be in clearly defined secondary markets. Rather than establish owned operations there, we've elected to establish strategic alliance partners in those secondary markets with pretty strict protocols of branding, professional conduct, service delivery and fee sharing.

How would you define the progress you've made on the initiatives over the past 18 months?

We have installed the leaders within the global business. We have rationalized globally the naming conventions within the core businesses of Capital Markets: investment sales and acquisitions; equity, debt and structured finance; and corporate finance and investment banking. We have worked with our marketing and communications team to increase broader awareness of our core competencies, our capabilities and our successes. We've focused on organizing ourselves around clients active within sectors.

What have you done in the area of infrastructure for supporting your troops?

There are several areas on which we are focused. Let me comment on some. First, dedicated leadership to serve on the front lines with clients to address their needs using a "best team" philosophy. Second, we are investing in upgrading our technology offering to allow us to execute better, faster and more efficiently as well as to more quickly collaborate around clients in common across geographies and businesses. Third, we are enhancing and up-tiering our branded materials to ensure consistency and continuity in all we do. And, lastly, we are rationalizing our approach to providing best in class underwriting support to our Investment Sales & Acquisition teams.

What do you see as the competitive advantages that Cushman & Wakefield offers its clients?

We will offer the first fully integrated, globally capable capital markets platform in the business. I think the quality of our people, and the size and scale of our organization, allows us to take a more tailored and customized approach to clients because we're not trying to be all things to all people. We are uniquely focused on the institutional segment of the business. Therefore, we're orienting ourselves to really understanding the needs and sensitivities of institutional players, whether they are pension fund advisers, opportunity funds, private equity funds or public organizations. And we're developing an array of services and an approach to those clients that I believe will demonstrate that we can operate smarter and more nimbly than many of our competitors.

Where do you see opportunities opening up?

It is apparent that, in keeping with the peaking of loan maturities in the next year or so, recapitalization is going to drive a lot of business during the next couple of years. Being able to advise clients on their options across the capital stack is going to make a huge difference in terms of creating opportunities, whether for the client requiring recapitalization or the investors looking to participate in recapitalization.

Looking out two to five years from now, what will your firm look like in that timeframe?

Right now, we are in the process of transforming the operation's psychology, being more collaborative, fortifying what we have and then filling the voids we need to fill in order to provide our clients with the best advice and best execution. Our ultimate goal is not to be the biggest, but rather to be the best at what we do. We are hopeful that will be acknowledged by our clients in terms of how we are able to nimbly scale ourselves to address their needs and objectives. Within the two- to five-year timeframe, we hope to be acknowledged as the best globally capable real estate capital markets adviser/service provider in the marketplace. ❖

CORPORATE OVERVIEW

The **Cushman & Wakefield Capital Markets Group** provides advice, execution, and investment management services to clients engaged in buying, selling, investing in, financing, or building real estate. These services typically are provided to private and institutional owners and investors, as well as to corporate owners and occupiers. In 2011, the Capital Markets Group completed sales and financing transactions valued at more than \$42 billion globally. Cushman & Wakefield maintains 243 offices in 60 countries.

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