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A coup in the real estate market here

@properties has stolen the No. 1 crown from the longtime leader

BY DENNIS RODKIN

Only one of the Chicago area's five top-volume residential real estate brokerages increased its volume in 2019, and it has emerged as the region's market leader, deposing a rival that had led the list since at least 2010.

The firm, @properties, was involved in about \$9.6 billion in Chicago-area residential sales during the year, up from \$9.1 billion in 2018, according to Colorado-based Real Trends, a longtime consultancy and market observer. Real Trends provided data on the top Chicago-area brokerages as a follow-up to its national rankings, "The 500," published in late March.

Volume at Coldwell Banker Residential Brokerage, long the top area brokerage, tumbled by almost \$2 billion, finishing the year second behind @properties (this Coldwell is Northbrook-based and the larger of two top-five brokerages that use the Coldwell name; the other, Coldwell Banker the Real Estate Group, is a separately owned, Joliet-based firm).

The other three brokerages in the top five all lost sales volume in 2019. Third-ranked Baird & Warner declined 6 percent from its 2018 volume to about \$5.6 billion in 2019. In fourth place, Joliet-based Coldwell Banker was down 5 percent, ending the year at \$3.7 billion. Fifth-ranked Berkshire Hathaway HomeServices Chicago dropped nearly 16 percent, to \$3.2 billion.

RealTrendsranked@propertiesasthe nation's 10th-largest brokerage for 2019, with a total volume of \$10.75 billion for its Chicago and Atlanta divisions. In March 2019, the Chicago-born firm made its first move outside its home market, picking up Atlanta brokerage Ansley Atlanta. Thad Wong, co-founder of 20-year-old @properties, says much of the firm's half-billion-dollar Chicago-area growth also derives from its aggressive expansion strategy.

Although 2019 was a weak year for real estate, "we haven't been afraid to expand into new markets in the

suburbs," Wong says. New @properties offices opened in the western suburbs of Hinsdale, Downers Grove, Western Springs and St. Charles in 2019. The firm already had established a foothold in the northern suburbs. It has been operating in the city of Chicago since Wong and Mike Golden launched it in 2000, and in 2017 it took the top-volume spot for city home sales.

The company's growth comes at a time when "it's hard to grow," says Steve Murray, editor of Real Trends. "The market has been so flat that some of these brokerages are just beating each other over the head to get an extra tenth of a point in market share."

Of @properties' rise to the top of the market, Murray says, it "has done an effective job of attracting and retaining more producing agents than their competitors."

At the end of 2019, @properties had 2,763 agents, up 224 from the year before. About three-quarters of the new staff, or 163 agents, came from Coldwell Banker, the former market leader. They had a combined \$800 million in prior-year sales volume, according to @properties spokesman Peter Olesker. (This figure does not conform to a calendar year. It's the combination of each individual agent's volume in the 12 months before joining @properties.)

For Coldwell Banker, the drop in 2019 was considerable. It ended the year with about \$7.3 billion in sales volume, down nearly 20 percent from 2018's \$9.1 billion. It was the second year of declining volume at the brokerage.

Coldwell topped the Chicago chart every year back to at least 2010, says Murray, who couldn't access reports from years prior due to the COVID-19 shutdowns.

Ayoub Rabah, president of Coldwell Banker, declined to be interviewed but said in a statement that "we have been impacted by disruptors who lured talent with false assurances of greater potential elsewhere,



MANUEL MARTINEZ

Thad Wong, left, and Michael Golden, founders of @properties

and chipped away at our market share in certain communities."

Compass, a New York-based brokerage that entered the Chicago market in 2017, came in third nationwide in Real Trends' ranking, with \$91.2 billion in volume. But Compass did not break out a Chicago-specific figure in the volume figures it submitted to Real Trends, Murray says, so it's not possible to say whether the company has reached the top five here. Early on, Compass recruited high-profile agents such as Jeff Lowe, who left Berkshire Hathaway HomeServices Chicago as the city's top-selling broker, with half a billion dollars in volume.

Buyers and sellers tend to care more about the track record of an individual agent than about how a brokerage ranks. But experts say the fortunes of a brokerage are an essential part of that track record.

"The first thing a customer thinks about is the agent," Murray says. "

'Do I trust them, do they have experience, will they get the job done for me?' Part of that is what's behind the agent, what marketing tools, what technology?"

When volume is going up, brokerages are "spending on improving their tools," says Tim Calkins, clinical professor of marketing at Northwestern University's Kellogg School of Management. When it's going down, "they may be cutting."

While Calkins says an individual agent's brand identity is crucial, "this is an example where there are multiple layers of branding." That would include the agent and the brokerage reinforcing one another. It's similar to the dynamic at play in professional sports, where fans connect with both player and team.

"When Tom Brady plays for the New England Patriots and they win," Calkin says, that's a pretty compelling combination of player and team. It might be a different story if Tom Brady wins with the Tampa Bay Buccaneers."