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## NEW FACES:

# Commercial real estate pros join new teams

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STAFF WRITER

In recent months, several of Seattle's commercial real estate firms have added senior staffers to help snare a bigger piece of the recovering real estate market.

These newly hired executives are already rustling rival brokerages for new recruits or scouting for choice properties ahead of new development.

The hiring wave started last fall when Cushman & Wakefield of Washington wooed John Miller away from Unico Properties, where he was general manager of the 11-acre Metropolitan Tract that Unico manages on behalf of the University of Washington. Then, shortly thereafter, CB Richard Ellis recruited David Milloy from rival Trammell Crow Co. for which Milloy had been handling the plum Microsoft account for more than decade.

Unico meanwhile decided to expand into medical office and apartment development, promoting Jonas Sylvester to vice president of investment and hiring Greg Van Patten from Trammell Crow Residential in Portland to serve as manager of its multi-family investments.

Gregory Broderick Smith Real Estate rounded out the spree by adding a third principal, long-time Vulcan real estate executive, Jim Mueller.

### Smart Growth At GBSRE

A shared belief that Seattle needs more urban housing helped convince former Vulcan executive Jim Mueller to join developer Greg Smith and his partner Jeff Schoenfeld as a principal at Gregory Broderick Smith Real Estate.

What Mueller brings to the table is an intimate knowledge of the neighborhoods on the north end of downtown where Vulcan owns more than 60 acres in the South Lake Union area. That knowledge complements Smith, whose portfolio is concentrated in the neighborhoods south of downtown around Pioneer Square and the stadiums.

The firm is on the hunt for new parcels that can be redeveloped for new housing, office and retail space.

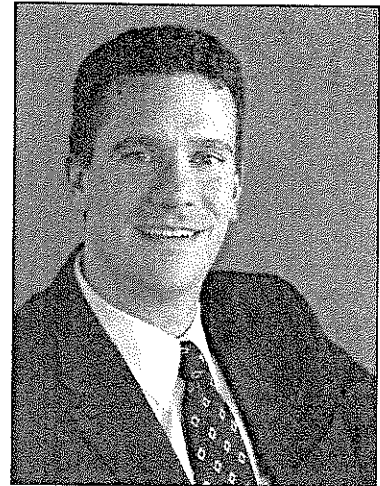
"My primary mission in life is sustainable smart growth," said Mueller. "We can have a lot of housing as opposed to a lot of parking lots. It's a situation where everyone is a winner. The city's tax base goes up, there's more money for other city services."

### Aggressive growth at Cushman & Wakefield

John Miller picked up a nickname shortly after joining Cushman & Wakefield as a senior managing director in charge of brokerage operations: "Young Napoleon." While some might be offended, a good-natured Miller shrugs off the teasing, saying, "I like to dish it out as much as I take it."

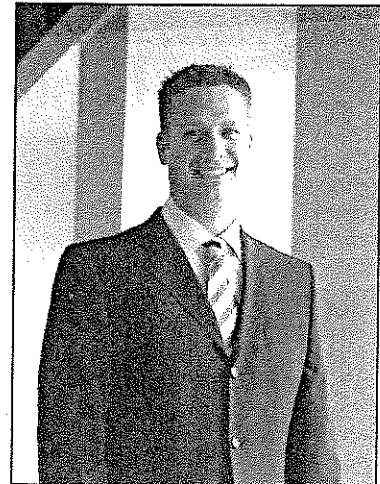
But there's a point to the nickname; Miller has been tasked with some serious empire-building by his new employer.

Over the next three years, Miller plans to nearly double the size of the real estate firm's Puget Sound area operations by hiring between 10 to 15 brokers. Miller also plans to expand the firm's property management business significantly from 3.5 million square feet to 6 million square feet over the next few years. He also will work to sustain the rapid growth of the firm's appraisal service, which has swelled from \$1.9 million to \$2.9 million over the past



UNICO PHOTO

Greg Van Patten



UNICO PHOTO

Jonas Sylvester

two years.

Such aggressive growth has its challenges. The trick will be in knowing when the firm has reached its most effective size.

"We don't want to grow too large to where we are competing against each other," Miller said.

He'd like to position the Cushman locally as a boutique firm, while retaining the advantages, and referrals, that stem from belonging to a global real-estate services firm operating in 48 countries.

"The boutique firms here have been highly successful because they offer the best return per broker," Miller said.

In wooing brokers away from other area firms, Miller plans to leverage the firm's research department, saying, "People like to work with firms they feel have the best local knowledge."

Meanwhile, Miller is busy setting goals and procedures for meeting his expectations. So far, there's been little resistance to the new marching orders.

"The brokers are more logical than emotional. You just sit down with them. Show them the numbers of what they can produce in a certain market and what the upside could be," Miller said. "That's my biggest sales pitch."

### Unlearning to not speak

For more than a decade, David Milloy help guide Redmond-based Microsoft Corp. through one of the most aggressive corporate expansions in the country, taking down more than 3 million square feet of office space. But he was rarely allowed to say much about what he was doing.

Now as managing director of CB Richard Ellis local operations, Milloy has finally stepped into the spotlight. By nature a gregarious man, Milloy is enjoying the opportunity to discuss his firm's growth plans. He plans to add brokers, particularly in the firm's Tacoma office, where he'd like to recruit an additional half dozen or so brokers, he said. The expansion could come through individual hiring or the acquisition of a smaller firm, he said.

Milloy said he took the job at CB because it gives him an opportunity to mentor younger brokers and offers the challenge of a job where he is responsible for the bottom line.

"People who know me know I'm a frustrated high school basketball coach," Milloy said. Some of what he learned playing high school basketball for Mercer Island applies to the brokerage business, he said. Milloy calls it the "slight edge theory," where a win or loss depends on just one or

two key plays and where a player is just a half-step ahead of his opponent or jumps 2 inches higher for the rebound.

"The difference between winning and losing often is not much," he said. "In our business, with so many formidable competitors, the difference can be slightly better market information or financial analysis."

To hone that competitive edge, he plans to teach brokers how to use some of the technical tools he used working with Microsoft's real estate team. Likening his Microsoft experience to "Green Beret training" in software tools, Milloy said, "you could see how much our team accomplished, how streamlined it was and how fluidly the decisions were made."

### Unico enters new markets

A mathematician by training, former investment banker and self-described "GE hit man," Jonas Sylvester is now helping Unico secure a niche in medical office development. It's a growing market as more hospital systems these days are choosing to lease rather than own their affiliated medical office buildings. Such properties offer the advantage of a stable of long-term financially sound tenants.

In Sylvester's most recent deal, Unico partnered with Healthcare Realty Trust on a medical office development in Tacoma. And Sylvester already has another deal up his sleeve that he expects to announce next month. Preparation is the key he said, "Whenever we propose a deal, we do a huge amount of homework. We're very honest about what we can and can't do. The health care systems hear a consistent story from us."

Unico's foray into apartment development is being led by Greg Van Patten.

He expects strong demand for rental housing as the children of the Baby Boom enter the workforce. But finding suitable property to develop is challenging. Flat rents and soaring land and construction costs are making it difficult to get deals to pencil, Van Patten said. Additionally, condominium developers, who can afford to pay more for their projects, are scooping up properties in the more popular neighborhoods.

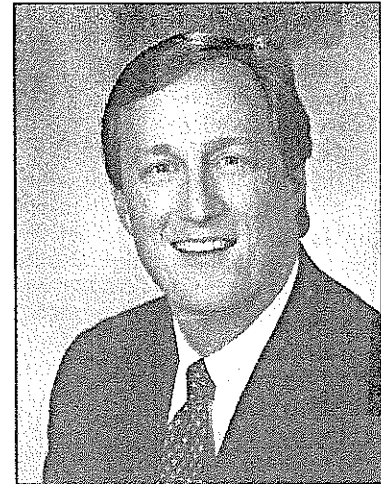
"You have to be more creative in looking at areas of the city," Van Patten said.

Despite the challenge, Van Patten now has about a half dozen projects in the works that could add up to 1,000 apartment units to the city's supply. Rents will target people making between 60 percent to 100 percent of the area's median income.



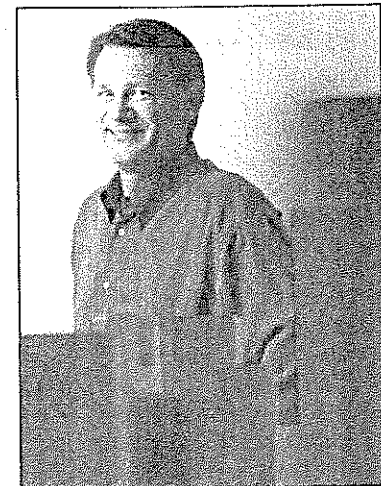
CUSHMAN & WAKEFIELD PHOTO

John Miller



CB RICHARD ELLIS PHOTO

David Milloy



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Jim Mueller