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## Secret Broker Society out to conquer the world

BY SARAH TREFETHEN

There are no handshakes or special hats, but the members of this “secret” society are hoping for lots of benefits.

An international network of retail brokers founded by Prudential Douglas Elliman’s Joseph A. Aquino, dubbed the Secret Brokers’ Society (SBS), aims to leverage the market expertise of individuals into more business for the whole group.

“When you do deals with brokers, you value them and want to keep working with them,” said Aquino, executive vice-president of PDE’s retail group. The Secret Brokers’ Society is, in part, a reaction to large brokerage firms that have amassed their own networks of brokers and require that collaboration happen in-house.



Joe Aquino  
Founder & President U.S.A., SBS



Harvey Soning  
Chairman Europe, SBS

“The world’s becoming a smaller place, and the international retailers, I think, are looking for service as well as the global reach that the big boys have,” said Harvey M Soning, chairman and founder of the London-based firm James Andrew International.

Soning is the chairman of the SBS in Europe, and has done business with Aquino on a less formal basis throughout their retail careers.

Together with Faith Hope Consolo, chairman of the Retail Group at PDE, Aquino has been working with international retail clients in New York for over 20 years. The network of international contacts they’ve built over the years is the basis of the society, which started convening for monthly conference calls early last year.

The brokers share their on-the-ground observations, reporting

on vacancy rates and tenant activity from Shanghai to Zurich.

That sort of first-hand information helps the brokers keep ahead of the international marketplace, Aquino said. “You can see patterns that are developing.”

The calls are also a chance for the brokers, who may not have met each other in person, to strengthen their relationships.

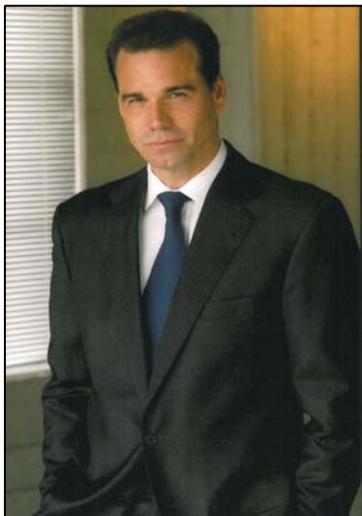
“You hear people’s energy and the personalities in their voices and you get to learn a little bit about them,” said society member Anthony R. Palermo, director of retail leasing and commercial development at Coldwell Banker Beverly Hills, in Los Angeles. “It’s a real fun, energetic, real powerful group of people getting together and throwing ideas out. It’s a real charge.”

Aquino estimates the society should lead to between three and five additional deals each year for members, who share the commission on co-brokered deals.

“These are deals that would never have happened otherwise,” he said.



Faith Hope Consolo  
Chairman USA, SBS



Anthony Palermo  
Vice President USA, SBS

Recently, the society’s connections led to the first US branch of the Italian retailer Piero Guidi opening in SoHo, and the New York-based children’s boutique L.O.L Kids opening in LA.

Soning is working with a Canadian member of the society to launch a European jeweler in that market, and Soning and Aquino are working together to bring a major European hotel chain to New York.

Connections are key in setting up a business in any market, but all the more so when what seems like fundamental rules of business are turned on their heads.

“A retailer coming from outside has a lot of bureaucracy and red tape to deal with,” said Joseph M. Benoit, another member of the society.

“There’s a way to do it — and I don’t want to imply that there’s corruption and bribery involved, though that is a major problem — but even not getting into that, it is more involved and complex. There are business positions in Italy that don’t even exist in the US.”

Benoit is an American native who now lives in Italy running his firm, Retail Real Estate Consultants Srl.

In Italy, he said, market information is hard to come by because it’s kept private, and simply incorporating a new company, which takes a day in the U.S., requires two months to process.

Aquino is a native New Yorker, and he credits his Brooklyn upbringing with a cross-cultural sensitivity that has helped him navigate the rocky terrain where business meets cross-cultural communications.

“Everyone is an individual and you can’t stereotype them,” he said. Nonetheless, he offers some general observations.

“China is probably the toughest negotiator of the group,” he said. The English take months to make a decision, and the Germans are meticulously organized.

The network is not the first of its kind, but Aquino thinks his group is the only one focusing specifically on the luxury end of the retail market.

What’s more, they’re getting going at a time when America retailers are showing more interest in expanding overseas.

“For years, you’ve seen the Europeans coming here. Now, you’re starting to see some movement in the other direction,” Aquino said.

Benoit notes that Ralph Lauren and the Gap are both in Italy, selling high-end versions of their products. (“American retailers, when they come here, they come with their extremely best foot forward,” he said.)

And Victoria’s Secret is opening a large store on London’s Bond Street, according to Soning. “It’s starting, and we want to be there to give them the personal service that they probably want,” he said, of the expansion of American retail abroad.



Joseph Benoit  
Vice President Europe, SBS



Marc-Christian Riebe  
President Europe, SBS

Some members of the society are more secret than others. Marc-Christian Riebe of the Switzerland-based Location Group is a member, and the monthly conference calls feature voices from as far away as Hong Kong, but the specific member list is kept private.

The group is less closed-lipped about naming markets that are absent from the network so far, Aquino would love to make contacts in Brazil, Japan, Russia and even somewhere in Africa, he said. “It’s a big world out there, and I think people are starting to realize it.”