

Commercial meets residential: a marketing strategy unfolds

“What these (residential) brokers will do for a \$2 million listing with drones and staging is phenomenal”

By [Natalie Hoberman](#) | September 29, 2017 08:00AM



Photo illustration by Jhila Farzaneh for The Real Deal. From left: Mauricio Umansky, Behzad Souferian, Jay Luchs, Carl Mühlstein (Credit: the Agency, JLL, LinkedIn)

The brokerage world was traditionally divided into two distinct tribes. Residential brokers were the aesthetes, the innovators, the people who didn't shy away from using glamour to sell real estate. Commercial brokers, meanwhile, were the jocks and the quants, swearing by spreadsheets to land that plum leasing assignment or investment-sales deal. Never the twain shall meet – or so we thought.

Now, however, the two realms are increasingly overlapping. Office buildings are starting to offer valet services and bars; commercial brokers are selling homes; and residential brokerages are launching commercial divisions within their firms. The crossover is impacting marketing – or at least, industry experts are saying it should.

“What these (residential) brokers will do for a \$2 million listing with drones and staging is phenomenal,” Carl Mühlstein of JLL said at [The Real Deal's Sept. 14 panel event](#). “So we've been applying a lot of those techniques to commercial.” Mühlstein recently returned from a trip to London, where he met with JLL's European marketing team to discuss ways in which commercial folks can up their game.

“We have noticed that a lot of commercial or office space marketing has become pretty formulaic – email blast, maybe a brochure – and the script always starts with ‘the building,’ Mühlstein said. “I'm experimenting with reversing the script, where we focus more on the people, the neighborhood and the hiring opportunities.”

Commercial meets resi

Behzad Souferian of the Souferian Group launched an entire brand, called “Be,” for hybrid commercial properties that bring in residential and hospitality elements. Its flagship location at 1800 N. Highland in Hollywood looks more like a boutique hotel than office site – equipped with Instagrammable walls and finishes, a concierge-type security post, valet services and a pet-friendly bar.

“When I started evaluating the landscape of commercial real estate, I started noticing a void,” Souferian said. “It didn’t matter how cool my four walls were — there was a disconnect from the rest of the building.”

The Be brand is “at the intersection of commercial meets hospitality,” he said.

The developer isn’t the only one dipping his feet in both ponds.

Jay Luchs is a household name [as a retail broker](#) with Newmark Knight Frank, thanks to prolific signage throughout L.A.’s Westside.

He’s solidified leases for clients including Louis Vuitton and L.A.’s first Eatly. But, in recent years, he’s also teamed up with a social media-savvy residential partner, Steven Schaefer. Together, they launched the residential Schaefer & Luchs under the NKF umbrella. The partners represented music producer Jerry Goldstein in the \$10.4 million sale of his home in the Pacific Palisades in 2015, and have the listing for a \$26.9 million home in Malibu, which hit the market earlier this summer.

Resi meets commercial

Meanwhile, residential firms are also trying to get a piece of the commercial pie.

Residential brokerages Partners Trust and the Agency have both stepped into the commercial market. The newly formed commercial team at Partners Trust grossed \$57 million in 2016 sales, according to company statements. The Agency announced the launch of its commercial advisory division, led by Alexander Koustas, this April.

Luchs said those entering the commercial market for the first time must step out of their comfort zone. While Instagram posts, flashy open houses and charismatic personalities typically help when an agent is trying to sell a home, they do not suffice in the world of commercial leasing, where brokers must work with tenants on business strategy and specific goals, Luchs said.

“There’s a landlord, things a client needs to know about the landlord, the different size options [a building] might have — they have to project sales,” Luchs said. “In commercial, a lot of it has to do with how much money will be made for a business. In residential, a lot of it is simply related to the curb appeal of the house.”

Luchs primarily relies on his contacts in the industry and some direct email marketing for his commercial properties. When he’s trying to sell a home, however, he often buys advertisements in magazines and billboards while his partner, Schaefer, posts them on his Instagram page.

Partners Trust’s Dario Svidler, who leads the commercial team of six, is taking a more aggressive tact than some commercial veterans like Luchs. He said he is leveraging the resources at his firm — including a full marketing and publicity team — to stand out from his commercial peers. “It’s a little bit of a blend of single-family marketing, combined with the prowess of commercial property,” Svidler calls it.

His “script” changes with every listing. He recently had to do a second drone shoot of a \$17.5 million property since the first one wasn’t up to par.

At the Agency, Koustas calls his strategy a “bit of a hybrid,” which might include open house-style events with broker giveaways and influencer marketing, in addition to emails and brochures.

“We make sure that our marketing piece is very simple but gives all the information that anyone would need to dive deeper,” Koustas said.

Let the tenants do the work

Souferian said he’s taken on a “white gloves approach” by [letting his tenants market for him](#). With themed music nights,

splashy walls painted by local artists and customizable marketing materials for each tenant, Souferian said he's designed his commercial sites in a way that makes it easy for tenants to post on social media.

The developer even named the brand, "Be," to achieve ultimate bandwidth. "We have strategic relationships with other companies," Souferian said. "For instance, if we do something with someone in fitness world, we market it as 'BeFit'; If its food and beverage, 'BeFed.'"

Tags: [behzad souferian](#), [Carl Muhlstein](#), [Commercial Real Estate](#), [Jay Luchs](#), [Mauricio Umansky](#), [Residential Real Estate](#)