

# Hard times demand bolder strategies

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A battered and uncertain real estate industry entered 1991 with no clear idea about the extent or duration of changes wrought by the current economic downturn. As commercial vacancy rates continue to rise in parts of the city and many landlords experience rising vacancy rates for specific tenancies, it is time for every individual company to take stock of its approach to the current crisis.

While it may be overly optimistic to expect significant profits in the current market, maintaining business and positioning your company for the future may be the most realistic approach. Companies struggling in today's market should minimize their overhead and eliminate frivolous expenses without sacrificing quality. This means taking a hard look at your priorities and keeping a constant vigil on the bottom line.

In the current market, many owners are lagging on commission payments. Because commission work tends to be uncertain even in the best of times, companies should concentrate on developing steady sources of income in the form of appraisal work, consulting, management and leasing on a retainer rather than commission basis.

Many companies have run into trouble in the current market by overextending

their resources. We believe that growth must be managed carefully, by absorbing each new account so its demands will not damage existing accounts.

## Hands-On

On the management end, market conditions have also created a new emphasis on quality and cost control. As managers of over 100 commercial and residential properties, we've been able to maintain and attract growing numbers of clients because we offer hands-on attention through state-of-the-art, cost-effective management. By providing personalized attention and responsive management, we have not lost a single residential management account in five years.

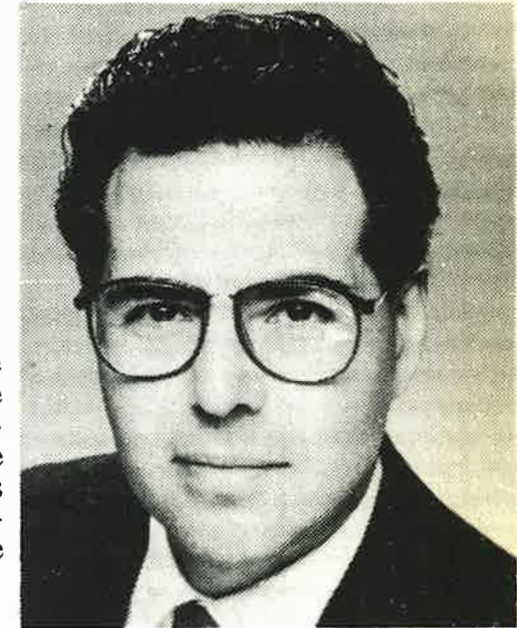
For the first time since the conversion boom began, Manhattan's residential market has softened, causing buildings and individual apartment owners to become especially concerned about protecting their investment.

For the first time, this softening is even evident in the city's traditionally tight rental market as well. Rental apartment buildings are competing with cooperative and condominium owners for tenants, who, for perhaps for the first time since the early '70s, are seeing lower prices and choosing among a greater variety of apartments.

These concerns have led to increased competition in the residential management field. In order to survive in the present marketplace, it is no longer

enough simply to fix something once it breaks. The successful management company must become far more detail oriented, anticipating problems before they occur. It must also offer professional real estate management on a personalized basis, by knowing each building's residents and staff, as well as providing efficient and economical operation.

Despite the recent market downturn, the real estate industry should realize opportunities are available even in the tightest of times. By emphasizing service and taking on the best people in the market, we're maintaining our business and working toward positioning ourselves to be even stronger when the recession is over.



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