

Here come the superbrowsers

Commercial real estate brokers these days function more like investment bankers than salesmen. And some are truly stars.

KENNETH LAUB: THE ULTIMATE NUMBERS MAN

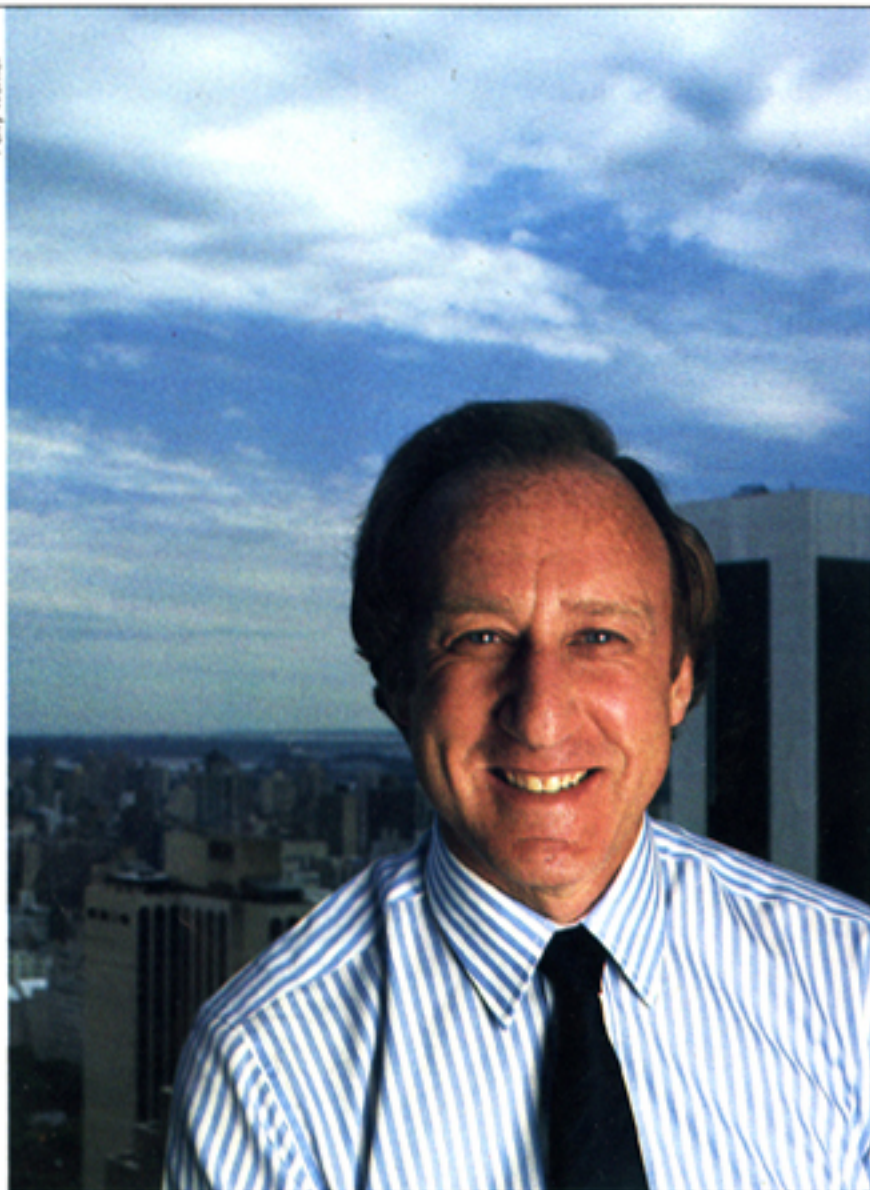
Kenneth Laub, 49, president of New York's Kenneth D. Laub & Co., remembers the turning point for commercial real estate brokerage. "It all began with Percy Uris, [then] head of Uris Buildings Corp.," says Laub. During an inflationary stretch in the 1960s, Uris came up with something called the "porters' wage formula." Landlords would be permitted to raise their rents in line with wage hikes negotiated by the porters' union. As the formula worked in practice, building owners more than covered their cost increases. "Developers made more money on non-rent variables than on the rent itself," says Laub. "So began the need for financial services for the users." So, too, began Laub's career; he launched his firm in 1969 as a tenants' advocate.

In the ensuing years, with major corporations as his advocacy clients, Laub claims responsibility for upwards of \$20 billion in real estate transactions, including leases worth \$1 billion at the World Financial Center — for such clients as Dow Jones & Co. and the French American Bank — and \$1.5 billion at the World Trade Center — for, among others, First Boston Corp., Swiss Bank Corp. and John Hancock Mutual Life Insurance Co.

Laub likes working with these financial firms. He can talk their language, and then some. On top of cost analyses he adds rapid-fire real-estate-speak on residuals and escalations. Laub's technique is to overwhelm the listener not with the minutiae of building construction and space configurations but with his ability to bring his financial expertise to negotiations over terms.

Laub cites client International Paper Co. to make his case that today's top-rung real estate broker also functions as a consultant and investment banker. In addition to negotiating the sale of IP's commercial condominium headquarters at 1166 Avenue of the Americas in New York City last year, he acted as adviser to IP when it moved its headquarters to Memphis, Tennessee, and decentralized

Perry Warner



Kenneth Laub's Laub: Who's afraid of the Street?

its operations. The assignment involved more than simply leasing space in different states; the balance-sheet implications of every move had to be meticulously analyzed. Laub successfully competed for this assignment against the likes of Goldman,

Sachs & Co., Salomon Brothers and First Boston. If Street firms, in retaliation, want to move into his territory, he says that he doesn't feel threatened: "There is plenty of room in our industry for more players. And they deserve what they get." ■