



Thaddeus Wong (left) and Michael Golden, who run @properties, Chicago's largest independent residential real estate brokerage, say they've prepared their company for the down times. — SCOTT STEWART/SUN-TIMES

Does @properties have secret sauce?

BY BONNIE MCGRATH

Maybe it's a doubling of hours and energy, or the in-house motivational speakers. Maybe it's new cutting edge e-mail technology. Or the new Sunday morning home show that showcases their listings on TV. Maybe it's agents who have been culled to be strong and productive. Maybe it's their prized "trickle-up" theory.

Whatever it is, Michael Golden and Thaddeus Wong — co-founders six years ago of @properties, local dynamo and largest independent residential real estate brokerage doing business in the city of Chicago — don't seem to be the least bit nervous about the latest pendulum swing in the Chicago real estate market, technically labeled the "correction."

Landed on Inc. 500

In September, @properties, the city's largest privately owned residential real estate firm, was named to Inc. magazine's "Inc. 500" list of the nation's fastest growing private

Founders say trickle-up approach will keep them cooking during correction

companies. Partners Golden and Wong own @properties themselves, as opposed to many other large brokerages in Chicago that are owned by large corporations and have boards of directors and sell stock.

In the last three years, the company's total gross revenue grew by 400 percent. In the last six years, the company went from a four-person office to an office that employs well over 400 agents. Its growth mirrors the boom in real estate — plus some.

Looking to the future, @properties says its revenue will grow 28 percent in 2006, while Baird and Warner projects a revenue drop of 23 percent in 2006, and Rubloff sees a 3 percent drop in 2006.

Instead of being thrown for a loop while the overheated real estate market goes back down to room temperature, Golden

and Wong say preparation and diligence, not to mention perspective, are what is needed to weather the storm. Or shall we say light drizzle? They claim they provide a constant level of service no matter if there is a boom, a correction or a stabilization.

At least 70 real estate markets in other states — such as Florida, Arizona and Nevada — have actually experienced record price drops that have panicked sellers, causing them to delay plans to sell property. But the Chicago area, according to local agents and experts, is merely experiencing a doubling of the time it takes from listing a property to closing. Agents describe it as a market normalization, rather than a bad sign — although downtown condo sales in brand new buildings have fallen far enough that some proposed projects might have to be put

on hold for the time being.

More everything in downturn

In sum, Wong and Golden — and fellow real estate practitioners — see no sign of a local bubble burst. But agents who are trying to maintain current income — @properties is projecting more than \$1.75 billion in revenue for 2006, compared with sales of \$1.3 billion in 2005 — will spend more time, more energy and more chutzpah.

David Wiencek, one of 420 @properties agents, and a printing salesman in a previous life, said he has expected the current correction for a while, and knew he would be in a position of having to "extra-market" himself to counteract its effects. He has doubled his ads, and is mailing two to three times the flyers he had been accustomed to mailing. He has also teamed up with a fellow agent.

"We are putting ourselves into more search engines and keeping our listings very active," Wiencek said. "We don't ever want to be out of

SAUCE

Knowing the wrongs helped make it right

anyone's minds. We want everyone to remember our listings."

Wiencek said the only difference in his bottom-line work world is that instead of listings taking 30 days to 45 days to move, they are now taking 60 to 75. He is also putting in at least one-third more time than he was accustomed to in the hotter market.

He avails himself of motivational speakers and seminars offered through his @properties office. He said the office always has people who will listen during tough moments.

"There is always someone who will lend an ear," Wiencek said. "And there is a lot of respect for us sales associates — and respect for us in the community, which sees us everywhere." Wiencek also said that having a basic entrepreneurial spirit helps him with perspective.

Past Lives

In past lives, Golden did human resources consulting before entering the real estate business, and Wong ran a clerking business at the Mercantile Exchange. The two met while they were sales agents at another company, where they say they saw the head of the office doing everything wrong. They claim their differentiation is that they have carefully crafted an office atmosphere at their four @properties offices — in Lincoln Park, Lake View, Streeterville and River North — that is nurturing and helpful for their agents, providing everything from in-house personal coaches to social events.

The social events include things such as "movie nights," and renting out Wrigley Field for a softball party. They say that socializing humanizes the agents, one to the other, thus

What to look for in a selling agent

1. For now, your agent should be doubling up on the time devoted to business — and that means paying attention to you.

2. Your agent should be touching base with you by phone or e-mail very regularly, as much as every day.

3. Your agent should be attending sales seminars and talking with coaches and colleagues. You might want to ask your agent — in a friendly way — what tools they are using to weather the tougher sales climate.

4. Your agent should be putting sufficient resources into mailings, ads and other marketing tools. This isn't the time to cut back on marketing.

5. Your agent should have perspective — and be prepared to see the market as an ever-fluctuating and dynamic force that will always have ups and downs.

promoting cooperation and fellowship, which leads to more listings and interoffice sales. Golden said, "getting people together makes it easier to do business together, to create a company culture.

"When you find out what you have in common with each other, and become friends, there is a reason to help each other," he said.

"We also realized there is a lot of value to going to seminars," Golden said, explaining why it's an even better idea to have the speakers come right onto the premises. "It gives the agents goals and ideas — and the company helps implement them.

"Also, we don't take all comers. We don't have anyone here unless they are great," Golden said. "We turn away high-volume producers if they are combative. No one person is worth it. We are picky."

Patrick McAloon, who is a team leader at Keller Williams Realty in the West Loop, said he's going "back to basics" during the correction. He likens himself to Tiger Woods, who had to change his swing twice to stay on top of his

game. He spends three hours a day staying in contact with his database, which he established when the cycle was in better form, "so I could have success in the future when the cycle went down.

"Agents have gotten spoiled in recent years, seeing only a good, easy market," he said. He said @properties has buttressed itself properly for the correction — as he has — with in-house marketing plans, extra hours and diligence. He said they've prepared themselves by getting used to spending the extra time to market properties successfully.

Embracing the agent

Wong said that besides having real estate success in their "genes," he and Golden believe in a trickle-up marketing scheme. "Everyone knows trickle-down," Wong said, "branding a company name to drive leads. We embrace the individual agent — we market and brand the individual agents — and volume and productivity grows on the shoulders of the agents. We provide the tools and the services, and our retention increases."

Golden expounded on the idea by explaining that instead of nickel-and-diming the agents to pay for services that enhance the company name, they provide cutting edge e-mail systems, for instance, and other marketing services directly to the agents, who then generate more business, which ultimately builds the company, which in turn builds up the agents. Golden also explained that @properties, which was named to Inc. magazine's 2006 "Inc. 500" list of the nation's fastest growing private companies, does not take many of the referral fees that other agencies take from their agents.

The company markets new developments in the heart of the city, and when it does, @properties' agents get first crack for their clients before the project is open to the general public.

"We have the shortest average market time than any company in the city," Golden said. "Which isn't to say things sell in three days like they did three to five years ago. We are in a normal market now — there is a lot of supply."

Wong explained that the pendulum is swinging to a combination of less buyers, more inventory and more uncertainty about the future, and @properties is learning to compensate.

Forever Ecstasy

"When the market is moving, the market is always correcting," Wong said. "If the market stayed like this forever, I would be ecstatic. We are able to provide the necessary high level of service in this competitive market place. We are dedicated to innovative thought and efficiency. And we can change quickly to implement whatever it takes at a faster pace. We don't always agree, but we do communicate, and we have trust and honesty."

Bonnie McGrath is a Chicago-based writer.